



# **PSC NEWS**

## **Missouri Public Service Commission**

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FY-02-169

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### **PSC DENIES INTERIM RATE RELIEF REQUEST**

Jefferson City (May 9, 2002)---The Missouri Public Service Commission has denied a \$3.56 million interim rate increase request filed by The Empire District Electric Company (Empire) stating the electric company had failed to meet the traditional emergency standard for granting interim rate relief.

According to Empire, the proposed interim rate relief request would have increased the monthly electric rate for a residential customer using 750 kilowatt-hours by approximately 73 cents.

Empire filed for interim rate relief to correct a mistake that was discovered after the Commission has reached its decision in Empire's last electric rate case. Tariffs reflecting the Commission's decision had been filed and approved by the Commission. After those tariffs took effect, Empire discovered an error. Empire filed additional tariff revisions requesting the Commission correct the error. The Commission denied that request.

In the interim rate relief request, Empire argued that the mistake in the calculation of the Company's revenue requirement justified expedited implementation of an interim rate increase which would be subject to refund pending the outcome of the Company's current permanent rate case before the Commission.

Historically, in order to be eligible for interim rate relief, a utility company must show that: (1) it needs the additional funds immediately, (2) that the need cannot be postponed, and (3) that no other alternatives exist to meet the need but rate relief. The Commission has granted interim rate relief on a non-emergency basis where the Commission found that particular circumstances necessitated such relief. The Commission stated in its order denying interim rate relief that: "Empire has not, however, demonstrated facts that justify the 'good cause' standard, and the Commission determines that it shall continue to follow its historical emergency standard for interim rate relief."

Denying interim relief, the Commission's order states: "Empire admits that its request does not meet the emergency standard of the Commission nor that its 'financial integrity or ability to render safe

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and adequate service over the next several months will be jeopardized if the request is not granted.’ Therefore, the Commission finds that Empire has not met the emergency standard for granting interim rate relief.”

Empire also made the \$3.56 million request a part of its overall permanent electric rate increase request of approximately \$19.77 million. Therefore the issue of the purported error will be resolved in the context of the permanent rate case. The Commission stated in its order: “The Commission notes, however, that by rejecting the proposed interim tariff, recovery for the time period prior to the effective date of the general rate increase tariffs will be precluded as retroactive ratemaking.”

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